

NEXSEN | PRUET

Marcus A. Manos
Member
Admitted in SC, NC, DC

February 15, 2006

VIA HAND DELIVERY

Charles L.A. Terreni
South Carolina Public Service Commission
Synergy Office Park
101 Executive Center Drive
Post Office Drawer 11649
Columbia, South Carolina 29211

**Re: Application Of Progress Energy Carolinas, Inc. and Fairfield
Electric Cooperative, Inc. To Establish Electric Service Rights**

RECEIVED
2006 FEB 15 PM 4:44
SC PUBLIC SERVICE
COMMISSION

Dear Charles:

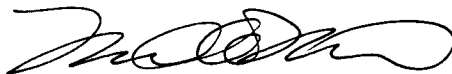
Enclosed for filing with the Commission is the original and sixteen copies of the joint Application Of Progress Energy Carolinas, Inc. and Fairfield Electric Cooperative, Inc. To Establish Electric Service Rights. Please return a clocked-in copy to me via our courier.

I am signing the Application on behalf of Len Anthony, counsel for Progress Energy Carolinas, Inc., with his permission.

Thank you for your assistance in this matter.

With best regards, I am

Very truly yours,



Marcus A. Manos

MAM/hjr
Enclosures
cc w/encl.: Len S. Anthony, Esquire

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Attorneys and Counselors at Law

BEFORE
THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA
DOCKET NO. 2006-60-E
February 15, 2006

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SC PUBLIC SERVICE
COMMISSION

In the Matter of)	
)	APPLICATION OF PROGRESS ENERGY
Application of Progress Energy)	CAROLINAS, INC. AND FAIRFIELD
Carolinas, Inc. and Fairfield Electric)	ELECTRIC COOPERATIVE, INC. TO
Cooperative, Inc. to Establish Electric)	ESTABLISH ELECTRIC SERVICE
Service Rights)	RIGHTS

Pursuant to S.C. Code Ann. Section 58-27-650 and Rules 103-304, 103-830, 103-831, and 103-834 of the Rules and Regulations of the Public Service Commission of South Carolina ("the Commission"), Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. ("PEC") and Fairfield Electric Cooperative, Inc. ("Fairfield") apply to the Commission for approval of a territorial agreement establishing the respective service rights of PEC and Fairfield in two planned subdivisions in which the service rights of each electric supplier were in dispute. In support thereof, PEC and Fairfield show the following:

1. PEC is an electric utility organized, existing and operating under the laws of the State of North Carolina, authorized to do business in South Carolina, for the purposes of generating, transmitting, distributing and selling electric power in its assigned service territories in North and South Carolina. PEC's principal office is located at 410 South Wilmington Street, Post Office Box 1551, Raleigh, North Carolina 27602.

WAM

2. The attorney for PEC to whom all communications should be addressed is:

Len S. Anthony
Deputy General Counsel
Post Office Box 1551
Raleigh, North Carolina 27602
Telephone: (919) 546-6367
Fax: (919) 546-2694

3. Fairfield is an electric cooperative organized, existing and operating under the laws of the state of South Carolina for the purposes of transmitting, distributing and selling electric power and its assigned service territory is in South Carolina. Its principal office is located at 3129 U.S. Highway 321 North, Post Office Box 150, Winnsboro, South Carolina 29180.

4. The attorney for Fairfield to whom all communications should be addressed is:

Marcus A. Manos
NEXSEN PRUET, LLC
1441 Main Street, Suite 1500
Post Office Drawer 2426
Columbia, South Carolina 29202
Telephone: (803) 253-8275

5. Both PEC and Fairfield have been granted assigned territories by the Commission to provide service in Kershaw County, South Carolina. In addition, both Fairfield and PEC have operated and maintained electric conductors in Kershaw County since 1969 and, therefore, such conductors provide PEC and Fairfield certain service rights within 300 feet of such lines pursuant to S.C. Code Ann. Sections 58-27-610 through 58-27-690.

6. Residential subdivision developers in Kershaw County have plans to construct two new residential subdivisions. One of these subdivisions is to be known as the Paces Green Subdivision and the other will be known as the Magnolia Park

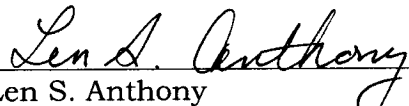
Subdivision. Both PEC and Fairfield contend that they have the right to serve certain lots in both subdivisions. In order to minimize the duplication of facilities installed to serve these subdivisions and to provide electricity to the lots within the subdivisions in the most practical manner possible, Fairfield and PEC have determined it would be prudent to agree upon the lots each will serve in each subdivision. To that end, PEC and Fairfield have entered into a Customer/Territorial Agreement dated December 15, 2005, a copy of which is attached hereto as **Exhibit 1** to this application. This agreement clearly articulates the service rights as agreed to by PEC and Fairfield within each subdivision.

7. PEC and Fairfield strongly believe that the establishment of each electric supplier's service rights as set forth in the Customer/Territorial Agreement is both the most efficient and practical manner for providing service to the premises in question and is in the public interest. Therefore, PEC and Fairfield apply to the Commission for approval of the Customer/Territorial Agreement in question.

WHEREFORE, PEC and Fairfield request the Commission to approve the Customer/Territorial Agreement regarding the provision of electric service to Paces Green Subdivision and Magnolia Park Subdivision in Kershaw County.

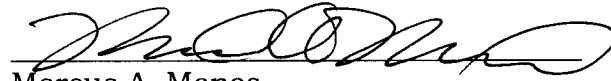
Respectfully submitted this 15th day of February, 2006.

PROGRESS ENERGY CAROLINAS, INC.



Len S. Anthony
Deputy General Counsel
Post Office Box 1551
Raleigh, North Carolina 27602
*by Momo
of permission*

FAIRFIELD ELECTRIC COOPERATIVE, INC.

A handwritten signature in black ink, appearing to read 'Marcus A. Manos', written over a horizontal line.

Marcus A. Manos
NEXSEN PRUET, LLC
1441 Main Street, Suite 1500
Post Office Drawer 2426
Columbia, South Carolina 29202

EXHIBIT 1

Progress Energy Carolinas, Inc.
Fairfield Electric Cooperative, Inc.

CUSTOMER/TERRITORIAL AGREEMENT

This agreement is entered into this 15th day of December 2005 by and between Progress Energy Carolinas, Inc. ("PEC") and Fairfield Electric Cooperative, Inc. ("Fairfield").

WHEREAS, there is a residential subdivision consisting of 54 lots being planned for development in Kershaw County near Lugoff, South Carolina, to be known as Paces Green Subdivision; and

WHEREAS, there is another residential subdivision consisting of 35 lots being planned for development in Kershaw County, South Carolina, to be known as Magnolia Park Subdivision;

WHEREAS, both parties contend they have the right to serve certain of the lots in both subdivisions, and

WHEREAS, in order to minimize the duplication of facilities installed to serve these subdivisions and provide electricity to the lots within these subdivisions in the most practical manner possible, the parties have determined that it would be prudent to agree upon the lots each should serve;

NOW THEREFORE, PEC and Fairfield agree as follows:


Fairfield shall serve all 54 lots within Paces Green Subdivision. The parties further agree that should Paces Green Subdivision be enlarged to include additional lots and homes, such homes shall be served electricity pursuant to S.C. Code Ann. Section 58-27-620 or as otherwise agreed to by the parties and their members/customers.

PEC shall serve lots: 1-14, 15-A, 16-26, and 27-29 within Magnolia Park Subdivision. Fairfield shall serve lots: 30-34 and 15-B within Magnolia Park Subdivision. The parties further agree that should Magnolia Park Subdivision be enlarged to include additional lots and homes, such homes shall be served electricity pursuant to S.C. Code Ann. Section 58-27-620 or as otherwise agreed to by the parties and their members/customers.

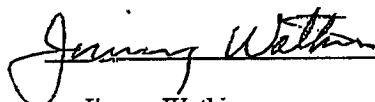
The parties shall submit this agreement to the South Carolina Public Service Commission for approval and each shall fully support it and defend it and use their best, good faith efforts to achieve Public Service Commission approval.

This agreement constitutes the entire agreement between the parties and supersedes any and all previous agreement whether written or oral.

The parties agree that this agreement constitutes the entire agreement between and only between the parties hereto.

 12/15/05
Date

Thomas S. Black
V.P. of Engineering
Fairfield Electric Cooperative, Inc.

 12-14-05
Date

Jimmy Watkins
Hartsville Operations Manager
Progress Energy Carolinas, Inc.